



UNITED STATES PATENT AND TRADEMARK OFFICE

Commissioner for Patents
United States Patent and Trademark Office
P.O. Box 1450
Alexandria, VA 22313-1450
www.uspto.gov
DW Dec-10

Paper No. 10

LEE, HONG, DEGERMAN, KANG & WAIMEY
660 S. FIGUEROA STREET
Suite 2300
LOS ANGELES CA 90017

MAILED

DEC 07 2010

OFFICE OF PETITIONS

In re Patent No. 6756572 :
Issue Date: 06/29/2004 :
Application Number: 10/034177 : DECISION ON PETITION
Filing Date: 12/28/2001 :
Attorney Docket Number: 2013-3- :
06 :

This is a decision on the petition under 37 CFR 1.378(b),¹ filed on September 29, 2010, to accept the delayed payment of the maintenance fee for the above-identified patent.

The petition is dismissed.

If reconsideration of this decision is desired, a petition for reconsideration under 37 CFR 1.378(e) must be filed within TWO (2) MONTHS from the mail date of this decision. No extension of this 2-month time limit can be granted under 37 CFR 1.136(a) or (b). Any such petition for reconsideration must be accompanied by the petition fee of \$400.00 as set forth in 37 CFR 1.17(f). The petition for reconsideration should include an exhaustive attempt to provide the lacking item(s) noted below, since, after a decision on the petition for reconsideration, no further

¹A grantable petition to accept a delayed maintenance fee payment under 37 CFR 1.378(b) must include

- (1) the required maintenance fee set forth in § 1.20(e) through (g);
- (2) the surcharge set forth in § 1.20(I)(1); and
- (3) a showing that the delay was unavoidable since reasonable care was

taken to ensure that the maintenance fee would be paid timely and that the petition was filed promptly after the patentee was notified of, or otherwise became aware of, the expiration of the patent. The showing must enumerate the steps taken to ensure timely payment of the maintenance fee, the date and the manner in which patentee became aware of the expiration of the patent, and the steps taken to file the petition promptly.

reconsideration or review of the matter will be undertaken by the Director.

The patent issued on June 29, 2004. The first maintenance fee could have been paid during the period from June 29 through December 31, 2007, or with a surcharge during the period from January 1 through June 29, 2008. The patent expired at midnight on June 29, 2008, for failure to timely pay the first maintenance fee.

Petitioner's counsel states that patentee was informed, in a letter mailed by counsel to patentee upon issuance of the patent, that counsel would endeavor to remind patentee of due dates for maintenance fees, but that counsel could not be responsible for non-payment of the maintenance fees, and therefore recommended that patentee, itself, docket the maintenance fee payment.

Counsel further states that it (counsel) did not send a maintenance fee reminder to patentee, because counsel was believed that patentee would track and timely pay the maintenance fee without further assistance from counsel. However, counsel learned on December 14, 2009, that the patent was expired, and immediately notified patentee that the patent was expired, but that a petition under 37 CFR 1.378(c) could be filed to accept delayed payment of the maintenance fee.

Counsel further states:

Undersigned agent became aware of the expiration of the patent on December 14, 2009, while reviewing the patent status report of the patentee prepared by docketing manager, Emily Baldwin. Thereafter, the patentee was immediately notified of the expired patents and Ms. Baldwin sent a pre-invoice for payment the maintenance fee to the patentee via email, advising that the maintenance fee can still be paid by June 29, 2010 with a Petition to Accept Unintentionally Delayed Payment of Maintenance Fee in an Expired Patent if the pre-invoice is paid by the patentee. Undersigned agent was cc'd in the email sent to the patentee on December 17, 2009, by Ms. Baldwin. The patentee confirmed that the expiration of the patent was never intentional.

On September 10, 2010, undersigned agent report an updated patent status report prepared by docketing staff, Jane Kim, to the patentee in response to the patentee's request. It is noted that Ms. Emily Baldwin

left the firm in February 2010. In the updated patent status report to the client on September 10, 2010, the above identified patent appeared as "Expired for non-payment on: 06/29/2008." Still, undersigned agent was not aware that the delayed maintenance fee and petition fee were due June 29, 2010 and believed that the patent expired upon approval by patentee. On the same day, vice president of Orion Electronics., Inc., Mr. Sean Lee, acting as a representative of the patentee, contacted undersigned agent and indicated that the payment for the pre-invoice dated December 17, 2009, was sent to our firm early this year. Undersigned agent confirmed with the billing department of the firm that the payment was received on January 7, 2010 for invoice number 60016 dated December 17, 2009.

As discussed above, the delay in timely payment of the maintenance fee was unavoidable since reasonable care was taken to ensure that the delayed maintenance fee would be paid timely. However, while the docketing system of the firm showed receipt of a Notice of Patent Expiration on August 4, 2008, the due date of June 29, 2010 for paying the delayed maintenance fee with a Petition to Accept Unintentionally Delayed Payment of Maintenance Fee in an Expired Patent was not shown in the docketing record. Apparently, while Ms. Baldwin reported the due date to the patentee on December 17, 2009, she forgot to enter the due date into the docketing system. Thus, the due date never appeared on the firm's daily due date reminders. Thus, the expiration of the patent was never intentional and was unavoidable.

The Director may accept late payment of the maintenance fee if the delay is shown to the satisfaction of the Director to have been "unavoidable".² A patent owner's failure to pay a maintenance fee may be considered to have been "unavoidable" if the patent owner "exercised the due care of a reasonably prudent person."³ This determination is to be made on a "case-by-case basis, taking all the facts and circumstances into account."⁴ Unavoidable delay under 35 U.S.C. § 41(b) is measured by the same standard as that for reviving an abandoned application under 35

² 35 U.S.C. § 41(c)(1).

³ Ray v. Lehman, 55 F.3d 606, 608-09 (Fed.Cir.), cert. denied, -- U.S. ---, 116 S.Ct. 304, L.Ed.2d 209 (1995).

⁴ Smith v. Mossinghoff, 671 F.2d 533, 538, 213 USPQ 977, 982 (D.C. Cir. 1982).

U.S.C. § 133.⁵ Under 35 U.S.C. § 133, the Director may revive an abandoned application if the delay in responding to the relevant outstanding Office requirement is shown to the satisfaction of the Director to have been "unavoidable". Decisions on reviving abandoned applications have adopted the reasonably prudent person standard in determining if the delay was unavoidable.⁶ However, a petition to revive an application as unavoidably abandoned cannot be granted where a petitioner has failed to meet his or her burden of establishing the cause of the unavoidable delay.⁷ In view of In re Patent No. 4,409,763,⁸ this same standard will be applied to determine whether "unavoidable" delay within the meaning of 37 CFR 1.378(b) occurred.

This petition does not satisfy the requirement of 37 CFR 1.378(b)(3). The statements presented in the petition fail to satisfy the showing required to establish unavoidable delay within the meaning of 37 CFR 1.378(b).

There are three periods to be considered during the evaluation of a petition under 37 CFR 1.378(b):

- (1) The delay in reply that originally resulted in expiration;
- (2) The delay in filing an initial petition pursuant to § 1.378(b) to revive the application; and
- (3) The delay in filing a *grantable* petition pursuant to § 1.378(b) to revive the application.⁹

This petition lacks the showing required by periods (1) and (2).

With regards to item (1), petitioner has not shown that the delay that originally resulted in the expiration of the patent was unavoidable. In this case, petitioner states that counsel intended to file a petition under 37 CFR 1.378(c) within the 24-month grace period, but the petition was not filed within that

⁵ In re Patent No. 4,409,763, 7 USPQ2d 1798, 1800 (PTO Comm'r 1988).

⁶ Ex parte Pratt, 1887 Dec. Comm'r Pat. 31, 32-33 (Comm'r Pat. 1887) (the term "unavoidable" "is applicable to ordinary human affairs, and requires no more or greater care or diligence than is generally used and observed by prudent and careful men in relation to their most important business"); In re Mattullath, 38 App. D.C. 497, 514-15 (D.C. Cir. 1912); Ex parte Henrich, 1913 Dec. Comm'r Pat. 139, 141 (Comm'r Pat. 1913).

⁷ Haines v. Quigg, 673 F. Supp. 314, 5 USPQ2d 1130 (N.D. Ind. 1987).

⁸ 7 USPQ2d 1798, 1800 (Comm'r Pat. 1988), aff'd sub nom. Rydeen v. Quigg, 748 937 F.2d 623 (Fed. Cir. 1991) (table), cert. denied, 502 U.S. 1075 (1992).

⁹ See Changes to Patent Practice and Procedure; Final Rule Notice, 62 Fed. Reg. 53131 at 53158 (October 10, 1997).

time due to an alleged docketing error on the part of petitioner's counsel.

As such, petitioner must provide a documented showing that the entire period of delay, from the date the maintenance fee was due until the date a grantable petition is filed, was unavoidable.

With regards to item (2), petitioner's counsel states that the delay in filing the petition resulted from a docketing error. To wit, that counsel's docketing manager, Emily Baldwin, failed to enter the due date for filing the petition under 37 CFR 1.378(c) into counsel's docketing system.

A delay resulting from an error (e.g., a docketing error) on the part of an employee in the performance of a clerical function may provide the basis for a showing of "unavoidable" delay, provided it is shown that:

(1) the error was the cause of the delay at issue;

(2) there was in place a business routine for performing the clerical function that could reasonably be relied upon to avoid errors in its performance;

(3) and the employee was sufficiently trained and experienced with regard to the function and routine for its performance that reliance upon such employee represented the exercise of due care.¹⁰

An adequate showing requires:

(A) Statements by all persons with direct knowledge of the circumstances surrounding the delay, setting forth the facts as they know them.

(B) Petitioner must supply a thorough explanation of the docketing and call-up system in use and must identify the type of records kept and the person responsible for the maintenance of the system. This showing must include copies of mail ledgers, docket sheets, filewrappers and such other records as may exist which would substantiate an error in docketing, and include an indication as to why the system failed to provide adequate notice that a reply was due.

¹⁰ See MPEP 711.03(c) (III) (C) (2).

(C) Petitioner must supply information regarding the training provided to the personnel responsible for the docketing error, degree of supervision of their work, examples of other work functions carried out, and checks on the described work which were used to assure proper execution of assigned tasks.

The present petition lacks the showing required by (1), (2), and (3) above.

At the outset, petitioner has not provided statements from all of the persons with direct knowledge of the circumstances surrounding the delay, setting forth the facts as they know them. Specifically, statements must be provided by Emily Baldwin, the person asserted to have made the error leading to the delay in filing the maintenance fee (and initial petition to accept the delayed maintenance fee), as well as any other persons with first-hand knowledge of the delay.

Additionally, petitioners have not provided sufficient evidence to lead to a conclusion that counsel had a reliable docketing system in place at the time the petition was docketed. Specifically, petitioners must focus on the error that occurred, the procedure for docketing due dates, and show that a reliable system was in place to ensure that the docketing manager properly docketed petition due dates. Still further, petitioner must supply information regarding the training provided to the personnel responsible for the docketing error, degree of supervision of their work, examples of other work functions carried out, and checks on the described work which were used to assure proper execution of assigned tasks.

In summary, the showing of record does not support a finding of unavoidable delay. At the outset, there is no showing that the patentee had docketed the maintenance fee for tracking in a reliable tracking system. While petitioners state that the delay on the part of the patentee was unintentional, a grantable petition under 37 CFR 1.378(b) requires a showing that the entire delay, from the date the maintenance fee was due until the date a grantable petition was filed, was unavoidable.

As petitioner has not shown that he exercised the standard of care observed by a reasonable person in the conduct of his or her most important business, the petition will be dismissed.¹¹

¹¹ See note 6, supra.

Petitioner should note that if this petition is not renewed, or if renewed and not granted, then the maintenance fee and post-expiration surcharge are refundable. The \$400.00 petition fee for seeking reconsideration is not refundable. Any request for refund should be in writing to the address noted below.

Further correspondence with respect to this matter should be addressed as follows:

By mail: Mail Stop Petition
 Commissioner for Patents
 P.O. Box 1450
 Alexandria, VA 22313-1450

By FAX: (571) 273-8300
 Attn: Office of Petitions

By hand: Customer Service Window
 Mail Stop Petition
 Randolph Building
 401 Dulany Street
 Alexandria, VA 22314

Telephone inquiries should be directed to the undersigned at 571-272-3231.



Douglas I. Wood
Senior Petitions Attorney
Office of Petitions